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WORLD COTTON PROSPECTS

Summary

Exports of American cotton from August 1 to March 31 totaled 6,098,000 bales which was slightly larger than during the like period last season. Japan is the only important foreign country to which exports so far this season have shown any material increase over the first 8 months of last season. Up to about mid-April exports of cotton for the season from Egypt were 59 percent larger than a year earlier and 21 percent larger than to the same date in 1931-32. This is largely accounted for by the fact that the present season's Egyptian crop is estimated at 77 percent larger than the 1932-33 crop and 37 percent larger than in 1931-32. Exports of Indian cotton from August 1 to mid-April were 4 percent larger than in the corresponding period last season and 27 percent larger than in the same period in 1931-32. The Indian crop for the present season is estimated 6 percent larger than in 1932-33 and 19 percent larger than in 1931-32.

Domestic cotton consumption during March was the largest for the month since 1929 and for the first 8 months of the current season the largest since 1929-30. Sales of cotton textiles by domestic manufactures, during March, were considerably less than output and are said to have continued below production during the first part of April. Shipments of cotton goods were well maintained so that stocks were not materially increased but unfilled orders were reduced considerably.

In Great Britain sales of cotton textiles were also below production during March and early April. The British manufacturers are complaining of their foreign outlets being materially affected by the low priced Japanese products. In Germany and most other central European countries

during March sales of both cotton yarns and cotton fabrics continued at about the comparatively high levels attained in February. In Czechoslovakia and Austria a further slight improvement was reported for March. In France sales of yarn and cloth declined and some restriction in mill activity was reported. In Italy conditions remained about unchanged as compared with a month earlier. Yarn consumption in Japan during March was the largest for that month in the history of the Japanese industry, and only about 5 percent less than the peak consumption of last December. Exports of cotton goods from Japan continued unusually large. In China mill activity was reduced during March and some further curtailment would not be surprising in view of the reduced demand for cotton yarn and an increase in the disparity between yarn and cotton prices.

Prices

During March and the first 3 weeks in April domestic cotton prices continued rather steady with little trend in either direction, although since about the middle of March there has been a slight weakening of prices. The average price of middling 7/8 inch at the 10 markets on April 20 of 11.64 cents showed a decrease of about one-half cent from quotations of about the middle of March. Since the middle of February the price of middling 7/8 inch cotton in the 10 spot markets has ranged between 12.30 and 11.64 cents per pound. During this period the fluctuation in the price in different markets was less than in any like period for more than a year. It is not uncommon for cotton prices to remain fairly steady at about this time of the year, as the size of the current season's crop of American cotton and also that of most important foreign countries is rather definitely known, while little definite information is yet available on the probable size of the future crop. From April 20 to April 26, however, prices in the 10 markets declined 79 points to 10.85 cents per pound. During March the average price of 7/8 inch cotton in the designated markets was 12.09 cents per pound compared with an average of 6.19 cents in March 1933, 6.44 in March 1932, and was the highest monthly average since July 1930. The average United States farm price as of March 15 was 11.7 cents, the same as a month earlier, but about 92 percent higher than March 15 last year.

While domestic cotton prices are about twice as high as at this time last year and the year before, and 19 percent higher than in March 1931, prices of Indian cotton in Bombay in terms of Indian currency are only about 10 percent higher than in March last year and were lower than in any other March for more than a decade. In China, Chinese cotton is reported at prices somewhat less than in either of the 2 previous years,

although American cotton there is considerably higher than in March last year, so that the parity is decidedly in favor of the use of Chinese cotton. In Alexandria the prices of uppers, the most important Egyptian cotton, in March were around 10 percent higher than in March of the 2 previous years, and slightly less than in March 1931. In Brazil, prices of native cotton were lower than in either of the 2 previous years. A part of the difference in the relative price of the different kinds of cotton is attributable to the changes in the gold value of the currencies of the different countries, and a part to the relative supplies of the different kinds of cotton.

Stocks and Movements

Apparent supply of American cotton in the United States

The semi-final ginnings report of the Bureau of the Census placed the ginnings of the 1933 crop at 13,043,000 bales. This, plus the carry-over at the beginning of the season of 8,100,000 bales, gives a total supply for domestic consumption and exports for the season of approximately 21,100,000 bales. Up to the end of March domestic consumption of American cotton was reported at 3,800,000 bales, and exports at 6,100,000 or a total distribution of 9,900,000 bales. This leaves the apparent supply remaining in the United States on April 1 about 11,200,000 bales. At this time last year the apparent supply in the United States was about 12,800,000 bales and on April 1, 1932 approximately 13,000,000 bales. Prior to 1932 the apparent supply of American cotton in the United States at the beginning of April had probably never been as large as 10,000,000 bales. Most of the decrease in this supply figure this year as compared with a year ago is accounted for by the fact that the carry-over at the beginning of the season was about 1,500,000 bales smaller than at the beginning of last season, both the domestic consumption and exports having been only slightly larger than during the like period in 1932-33.

Exports of American cotton

During the month of March total exports of cotton from the United States amounted to 550,000 running bales, an increase of 62,000 bales over March 1933, but a decrease of 377,000 bales compared with the unusually heavy exports of March 1932. The increase in the March exports over March last year resulted in the total for the season being larger than the total for the first 8 months of 1932-33. At the end of January exports for the season were more than 100,000 bales less than for the corresponding period in the previous season, whereas up to the end of March the total for this season amounted to 6,098,000 bales compared with 6,085,000 to the same date last year. Exports during April may be maintained at about the levels of a year earlier, but during the last quarter of the season it is expected that exports will fall considerably short of those during the last quarter of last season, since exports were so unusually large during May, June, and July of 1933.

The fact that exports to Germany, Japan, and the United Kingdom in March were considerably larger than a year earlier accounts for the larger total exports this March as compared with a year ago. For the first 8 months of the season, however, Japan is the only important country which has taken a larger amount of our cotton than during the corresponding part of 1932-33. Exports to most of the other important countries have been very nearly the same as during the first two-thirds of last season.

Exports of Indian cotton

During the 4 weeks ended April 12 the total exports of cotton from India amounted to 274,000 running bales (of approximately 400 pounds) which represented an increase of 53 percent over the like period last season and was nearly three times as large as exports during the corresponding 4 weeks of 1931-32. From August 1 to April 12 the total exports from India to all countries amounted to 1,441,000 bales, according to the Commercial and Financial Chronicle. During the like period last season the total amounted to 1,390,000 bales and up to mid-April 1932 the total was 1,135,000 bales, although the total exports from August 1 to mid-April to Japan and China combined (as reported) were still 300,000 bales less than to the same date last season. Exports for the 4 weeks ended April 12 for these two countries combined were slightly larger than in the corresponding weeks of 1933, and more than twice as large as in the same weeks of 1932. Exports to Great Britain and to the Continent continued to run well above either last season or the season before.

Exports of Egyptian

Exports of Egyptian cotton from March 14 to April 11 amounted to 95,000 Egyptian bales of approximately 750 pounds. During the like period last season and the season before exports of this cotton were 61,000 and 73,000 bales respectively. For the season to date total exports from Egypt amounted to 944,000 bales, an increase of 349,000 bales over the like period a year earlier and 162,000 bales over the corresponding period of 1931-32. The greatest increase in the Egyptian exports on a percentage basis has been the exports to America, the total to April 11 amounting to 60,000 bales or 107 percent over the like period last season. The total exports to the Continent and India combined (as reported by the Commercial and Financial Chronicle) amounted to 516,000 bales, or 42 percent larger than a year earlier, while exports to Great Britain up to April 11 were 80 percent larger than to the same date last year.

Textile Situation

United States

During March domestic cotton mills used 544,000 running bales of cotton of all kinds, according to the Bureau of the Census. This represented an increase of about 50,000 bales, and was the largest consumption for the month since 1929. For the industry as a whole the consumption report indicates that activity was well maintained during March compared with previous months, although trade reports indicate that in certain sections of the industry activity was reduced somewhat because of reduced sales. The total consumption for the first 8 months of the season amounted to 3,945,000 bales, an increase of 197,000 bales over the like period last season, and was larger than any corresponding 8 months since the 1929-30 season. However, of the total cotton of all kinds consumed so far this season, 104,000 bales was foreign, whereas last season during the same period the consumption of foreign amounted to 81,000 bales. Practically all of the increase in the consumption of foreign cotton this season has been of Egyptian cotton.

Trade reports indicate that on the whole manufacturers sold considerably less than their out-put during March as a whole. Sales in a few of the industries were apparently rather well maintained. Shipments of cotton goods during the month were reported to have been about equal to production, with little or no increase in stocks, but unfilled order lists were reduced considerably. Sales have continued below production, according to report, during the first part of April, although mills are said to be confident that the demand for cloth would improve in the near future. If sales do not improve within the next few weeks, mill activity may be reduced in order to avoid accumulating stocks.

Great Britain

British mills continue to report rather small sales during March. According to trade reports, the English manufacturers are finding their foreign outlets materially affected by the low-price Japanese products. Some manufacturers are said to have been complaining about competition from rayon.

Exports of cotton piece goods from Great Britain during March amounted to 170,000,000 square yards compared with 168,200,000 square yards during February and 209,900,000 during March last year. Total exports for the first 8 months of the season amounted to 1,311,000,000 compared with 1,454,000,000 square yards during the like period last season. During the first 7 months of the season, August 1 to February 28, exports of piece goods from Great Britain to India amounted to 267,843,000 square yards compared with 360,035,000 square yards during the like 7 months of 1932-33. The continued smaller sales and production during the last several weeks has caused British mill activity to decline somewhat. Toward the end of March the New York Cotton Exchange Service estimated British mill activity at about 70 percent of normal compared with about 75 percent a month earlier. In early April activity is said to have been reduced still further.

Continental Europe 1/

Conditions in the cotton textile industry in continental Europe during March showed little change from the previous month. Reports from Germany and most other central European countries continue favorable, but developments in France are less satisfactory. As far as can be judged from the meagre reports from Italy, new business and mill activity in that country were about the same as in February.

Sales of both cotton yarns and cotton fabrics in central Europe continued on the comparatively high levels attained in February, and in Czechoslovakia and Austria a further slight improvement was noted. In France, on the other hand, business in yarns declined, and the slow sale of cotton fabrics also resulted in much complaint.

As a result of the above developments spinner and weaver mill activities in central Europe were further expanded, particularly in Germany where operations are now approaching the favorable levels of 1928. In France, though, mill activity was restricted, particularly in Normandy.

1/ Based largely on a report prepared by Assistant Agricultural Attache Donald F. Christy at Berlin, dated April 12, supplemented by cable middle of April.

The trade was temporarily affected by the German prohibition on all purchases of raw cotton, cotton waste and cotton yarn during the period March 24 to May 5, unless these goods were already within German customs boundaries. It had been recognized for some time that the German foreign exchange situation would eventually necessitate further import restrictions, and after the first shock the trade viewed the prohibition rather philosophically. It was generally conceded that German purchases of raw cotton would have been very small anyway because of the seasonal decline which generally starts about this time of year.

Continental spinner buying of raw cotton was quiet during March, especially following the announcement of the German import prohibition. Prices were easier and purchases were for the most part limited to immediate needs.

Continental spinner takings of American cotton

During the 4 weeks ended about the middle of March, continental spinners takings of American cotton were over 400,000 bales, which is about 70,000 bales more than takings during the corresponding period a year ago, and the largest for the period since 1929. Takings from August 1 to about March 20 this season were about 160,000 bales more than for the same period last year, and over 500,000 bales more than takings 2 years ago. They were the largest for the period since 1929-30.

Germany

Conditions in the textile industry in Germany during March continued very favorable, according to preliminary reports, and there was considerable new business in cotton yarn and cotton cloth. Mill activity was maintained in all sections of the industry, and spinners and weavers have sufficient unfilled orders to assure satisfactory occupation for the next several months.

The detailed cotton spinner report for the month of February indicates that in western and southern Germany some reduction in the demand for cotton yarn occurred. In Saxony, on the other hand, the yarn business in February was at record levels, and the fine spinning mills also reported a very active business. Both, however, complained of rather unsatisfactory prices. German cotton weavers fully maintained the improvement experienced in January. Export business, however, continues unsatisfactory, and exports are limited largely to specialties.

On March 22, an Enabling Act and subsequent decrees were issued providing for a prohibition on the purchase and importation of certain raw materials, including cotton, cotton waste, and cotton yarn. The prohibition on import purchases extends until May 5, 1934. Some sort of a control after that date is to be expected as the move has been caused by lack of foreign exchange. As this prohibition has also been applied to many other raw products, it is possible that the government will establish foreign exchange allotments for each product. The first step in establishing a control was the appointment of a special control commissioner for raw cotton, with headquarters at Bremen 1/ . The control commissioner's office is expected to secure the necessary information on consumption, stocks,

1/ The commissioner is Mr. Hugo Pabst, Am Wall 141, Bremen.

production, foreign trade, etc. Present indications are that the control will involve allotments established for half-year periods. These allotments will be issued to the individual factories and will be based upon their past activity.

Czechoslovakia

The latest report of the Czechoslovakia National Bank indicates that the cotton textile situation in that country has shown some slight improvement. It is probable that export business in Czechoslovakian cotton cloth during March improved as a result of the devaluation of the Czechoslovakian currency in February this year.

Austria

No new reports have been received from the Austrian spinning and weaving sections, but private information indicates that a certain amount of improvement was maintained in the Austrian cotton textile industry during the month of March.

France

The cotton textile situation in France continued less satisfactory than in central European countries. The month of March was characterized by a very quiet business in cotton yarn and cotton goods as well as by a certain amount of restriction in mill activity particularly in the Normandy mills, where aversion against accumulating stocks is apparently stronger than elsewhere.

The renewed economic difficulties, observed in France in recent months, together with the cloudy political outlook, had a deterrent influence on the textile industry. It appears that both new business and unfilled orders have declined sharply and, as a result, working hours were reduced in many places.

Italy

As described last month a compulsory cartel for the Italian cotton industry has been established. The Istituto Cotoniero Italiano, founded in 1908, but not functioning as a cartel except for a short time immediately after its foundation, has now received authority to collect current information on the statistical and business situation of the industry, to adjust spinning mill production to the current market situation, and to prescribe uniform terms of sale. The institute is also to promote increased consumption of cotton goods, and may regulate and rationalize the purchase of raw cotton. This compulsory cartel is financed by a tax imposed on imported cotton amounting to .30 Lire per kilogram (at present prices, about 10 percent of the import value). As the high rate of this tax will yield funds considerably in excess of requirements for administration expenses, it is possible that the surplus may be used to subsidize exports of cotton goods. If so this may tend to offset the adverse affect of the import tax on cotton imports.

Japan 1/

Total yarn production in Japanese mills in March amounted to 267,000 bales of approximately 400 pounds each. This represented an increase of about 20,000 bales compared with February, a slightly larger increase as compared with March 1933, and was considerably larger than the production during March in any year in the history of the Japanese industry. The output of the Japanese mills during the first 8 months of the current season totaled 2,128,000 bales which was the largest for the corresponding period in history. As compared with a year earlier, the yarn production so far this season showed an increase of 11 percent. The proportion of American cotton being used this season has been somewhat smaller than last season so that the consumption of American cotton in Japan has been slightly less than during the like period in 1932-33. Larger proportions of Indian cotton have been used so far this season despite the fact that there was a boycott on Indian cotton during the first half of the season. This was made possible by the rather large accumulation of stocks of Indian cotton at the beginning of the season before the boycott went into effect.

Japan continues to maintain large exports of cotton goods. The exports during February having been reported as close to record levels, a part of the heavy exports is attributed to the fear that some of their markets may be restricted in the near future by legislative measures on the part of foreign countries.

In February receipts of Indian cotton amounted to 18,000 bales, and shipments of cotton from Bombay are said to have been heavy, and as a result some of the small mills which were inactive due to the shortage of Indian cotton have recently obtained Indian cotton and have also purchased a considerable amount of American cotton for mixing with the Indian. Despite the fact that export quotations on Indian cotton have been at a premium over Bombay quotations, the parity between American and Indian remained wide during February. By this time (late April) arrivals of Indian cotton are probably rather large so that the disparity between Osaka prices and Bombay prices has probably been eliminated, to considerable extent at least.

China 2/

The continued unfavorable price parity for American cotton, in addition to the curtailment which has taken place in the spinning mills in China has reduced American cotton consumption to a level of about 25,000 bales per month during the early part of April. Of this total, it is estimated that approximately 20,000 bales were being used by Japanese mills. Activity in the Japanese mills was estimated at about 80 percent of normal, while in the Chinese owned mills, activity was said to have been around 70 percent of normal. In January and February activity in these two sections of China's cotton textile industry was estimated at about normal and 90 percent, respectively. With the continuation of reduced demand for cotton yarn, and an increase in the disparity between yarn and cotton prices during March,

1/ Based largely on a report from Vice Consul McConoughty received by radiogram through the Agricultural Commission's office at Shanghai about the first of April.
2/ Based largely on radiogram from O.L. Dawson at Shanghai on April 13.

it is believed that further curtailment in activity may take place. The under-selling of Japanese yarn and unsteadiness in foreign cotton markets, as well as reduced purchasing power in rural sections are factors mentioned as contributing to the poor demand for yarns produced in China.

During February imports of American cotton into China were practically nil, although preliminary data show that during March arrivals at Shanghai amounted to 25,000 bales. The increased supplies and more favorable prices of both Indian and Chinese cotton, together with the fairly large stocks of American cotton on hand account for the small takings of American cotton.

The piece goods market in China has continued dull and clearances have been poor. Prices of piece goods at Shanghai weakened considerably during March and at the prices quoted, the dealers showed little interest in transacting sales. The recent move toward curtailment of yarn production strengthened yarn prices somewhat and this may have some influence on cloth prices.

Acreage, Production and Crop Conditions

United States

Weather: Winter rainfall was, on the average, much below normal in all of the principal cotton producing states. In some of these states spring rainfalls have been normal or even above normal, offsetting to some extent the deficiency which had occurred during the previous months. Winter rainfalls are particularly important in their influence on yields in the western part of the belt. In certain sections of Texas and Oklahoma yields are materially affected by the amount of precipitation during the winter months.

With the exception of the northern half of the eastern belt, winter temperatures were considerably above normal. This is usually considered as an important factor in the weevil situation, for where winter temperatures are abnormally low, a considerable portion of the hibernating weevils are killed off. This is particularly true when the winter season is marked by wide variation in temperature, much of which is unusually cold. Some observers have stated that the past winter was unusually favorable for the survival of hibernating weevils. However, no matter how great the emergence of weevils in the spring, weather conditions during May, June, and July have a very important influence on the extent of the weevil damage. The following quotation from a report by the Texas State Entomologist as of April 13 may be of interest relative to the weevil situation in Texas:

"The comparatively mild temperatures of last winter, a cool March, and heavy rains followed by warm weather early in April are conditions that favor a heavy emergence of the weevil this spring. Even poorly sheltered weevils have survived and in the Lower Rio Grande Valley where cotton was not killed the weevils have been active practically all winter and breeding throughout the greater part of the period. Weevils have also been found in larger numbers than usual sheltering in the so-called ball moss on live oaks in Bexar County. During March, the emergence at College Station was 0.91 percent or only about two-thirds of the normal. But during April the weevils have been coming out of hibernation quarters every day to date,

and with cotton coming up there will be little vitality wasted in hunting food. The possibility of summer injury is present; the extent of the injury will depend on the rainfall in May, June and July."

Prior to March farm work in the Cotton Belt is said to have made rather rapid progress with the condition of the fields and preparation for planting more advanced than usual. In March, however, weather conditions were not so satisfactory, so that preparation of the seed beds and planting of cotton were retarded somewhat. The week ended April 17, the Weather Bureau made the following comments relative to conditions in the Cotton Belt:

"In the northeastern Cotton Belt additional rains kept the soil too wet, and but little field work was possible. Otherwise, the preparation of seed beds and planting of cotton made fair progress, though slightly later than usual. In Texas the general condition is good, though planting is somewhat late. A little cotton has been planted in southeastern Oklahoma and southern Arkansas. Good advance was reported from Louisiana, with much up in the South. East of the Mississippi some seeding was done northward to southwestern Tennessee and northern Georgia. In southern Georgia seeding made very good advance, with the early coming up to good stands, while in southern and eastern South Carolina satisfactory progress is indicated. In northern South Carolina seeding is slow and about 10 days late, while in North Carolina it is mostly too wet for field work."

Sales of fertilizer: During March total sales of fertilizer tax tags in eight of the principal cotton producing states, excluding Oklahoma where little fertilizer is used, amounted to 1,119,000 short tons, compared with 733,000 tons in March 1933 and 568,000 tons in March 1932. While the sales during March this year were considerably larger than in the 2 previous years, they were slightly less than in March 1931 and 16 percent smaller than the average for the 5 years, 1926-1930. For the 4 months ended March 31 this year, total tag sales in these states amounted to 1,915,000 tons, an increase of 73 percent over the like period a year earlier, and 106 percent over the same 4 months ended in 1932, but were 38 percent less than the average for the 5 years ended in 1930.

Legislation: The Bankhead bill was signed by the President on April 21 and is now a law. The following are the main provisions of this law as it was finally passed:

1. For the crop year 1934-35, 10,000,000 bales of 500 pounds net weight is fixed as the maximum amount of cotton which may be marketed except by payment of a tax equivalent to 5 cents per pound of lint or 50 percent of the market value, whichever is higher.

2. In addition to the 10,000,000 bales which is not to be taxed, no tax is to be imposed under the act with respect to: cotton produced by experimental stations or agricultural laboratories, cotton harvested prior to the crop year 1934-35, and cotton having a staple length 1-1/2 inches or longer.

3. The tax is not to be collected on cotton which is to be stored by the producer.

4. Exemption certificates are to be issued to each producer on the basis of his allotment out of the 10,000,000 bales.

5. The allotments are to be made to each state on the basis of its average production during the 5 years, 1928 to 1932, except that no state is to receive an allotment of less than 200,000 bales, if in any one of the 5 years the production in the state equaled 250,000 bales. The production records show that the only two states to which this applies are Missouri and California.

6. The act further provides that not less than 10 percent of the allotment to each state shall be reserved for special allotments to individual producers, the remainder alloted to counties on a basis similar to the method used in making the allotments to the states except that, if it is found that the production of cotton in a county was so reduced by drought, flood, or other natural causes as to result in an abnormally low production in certain years of the base period, then these years are to be excluded from the period used in computing the average for the county. The special allotments to be granted individual producers are for the purpose of providing just allotments to producers who, for the 3 years 1930 to 1932, planted less than one-third of their cultivated land to cotton, to producers on farms where natural causes such as droughts, storms, etc. caused production to be below normal, and to producers on farms where for the preceding 3 years the acreage planted to cotton had been voluntarily reduced so that the production was reduced by a greater amount than "the Secretary of Agriculture finds would have been an equitable reduction applicable to such farms in carrying out a reasonable reduction program."

The following table gives the allotments by states as reported by the Agricultural Adjustment Administration in a press release on April 21.

Allotment of tax-exempt cotton to states, under the provisions of the Bankhead Act

State	5-year average, 1928-1932	Percentage of total United States 5-year average, excluding Mo. and Calif.	Allotment in terms of 500-pound net weight bales
	1,000 bales	Percent	Bales
Va.	45	.32	30,720
N.C.	752	5.29	507,840
S.C.	856	6.02	577,920
Ga.	1,242	8.73	838,080
Fla.	35	.25	24,000
Tenn.	479	3.37	323,520
Ala.	1,255	8.82	845,760
Miss.	1,559	10.96	1,052,160
Ark.	1,358	9.55	916,800
La.	745	5.24	503,040
Okla.	1,109	7.80	748,800
Tex.	4,580	32.20	3,091,200
N. Mex.	90	.63	60,480
Ariz.	1/ 108	.76	72,960
Others	10	.07	6,720
Total, excluding Calif. and Mo.	1/ 14,223	100.0	9,600,000
Calif.			200,000
Mo.			200,000
Grand total			10,000,000

From press release of the Agricultural Adjustment Administration on April 21, 1934.

1/ Excluding cotton 1-1/2 inch in length and over.

The Bankhead Act provides for tax-exempt production of 10,000,000 bales of 500 pounds net lint each. The figures given above are 500 pound net weight bales.

India

The 1933-34 Indian cotton crop is now estimated by the Indian Government at the equivalent of 4,159,000 bales of 478 pounds, according to a cable received April 26 from Calcutta. This is 263,000 bales or 7 percent larger than their revised estimate of the 1932-33 crop. It is 791,000 bales larger than the 1931-32 crop, but 400,000 bales less than the average for the 5 years ended 1930-31. The present official estimate is only 159,000 bales larger than the preliminary estimate made by this Bureau several months ago and 282,000 bales larger than their own estimate released in late February.

The official acreage estimate placed the area in cotton at 23,739,000 acres, which represents an increase of 1,256,000 acres or 6 percent over the 1932-33 acreage and is about the same as the 1931-32 acreage. The acreage estimate for the current crop is 1,535,000 acres or 6 percent less than the

average for the 5 years ended 1930-31. The official acreage and production estimates give a yield per acre of 83.7 pounds per acre this season compared with 82.8 pounds last season and 69.9 pounds in 1931-32. The average for the 5 years ended 1930-31 was 86.4 pounds per acre.

Egypt

Ginning of Egyptian cotton, excluding scarto, from the 1933-34 crop up to April 1 amounted to the equivalent of 1,611,000 bales of 478 pounds, according to data received by cable from the International Institute of Agriculture at Rome. This represented an increase of 692,000 bales or 75.3 percent over ginnings to the same date last year and a 36.1 percent increase over ginnings during the corresponding period in 1931-32. They were 4 percent larger than ginnings to the same date from the 1929-30 crop which, prior to the 1933-34 crop, was the largest cotton crop ever produced in Egypt. All of the increase in ginnings up to April 1 this year as compared with a year earlier occurred in varieties other than Sakellaridis, ginnings of this extra-long staple variety being the same as to the same date last year. The ginnings of all varieties except Sakellaridis to April 1 were 99.4 percent larger than a year earlier, 46.6 percent larger in the like period in 1931-32 and were probably larger than in any year since Sakellaridis became an important variety nearly two decades ago. Ginnings by varieties are not available except for recent years, but the acreage in Sakellaridis in 1932 and 1933 was the smallest since 1913 and 1914.

Manchuria

According to a report by Vice Consul Penfield at Mukden, received by radiogram through the Agricultural Commissioner's office at Shanghai, the Manchurian Raw Cotton Raisers' Association has recently announced that the 20-year program which had been planned had been changed to a 2 year program.

It is reported that the change in the time for the completion of the cotton cultivation scheme was influenced by the relatively successful outturn on the small acreage last year, the poor return from soybeans, Manchuria's most important crop, and also poor returns from other grain crops. Another reason which has been mentioned as influencing the intensive effort to stimulate cotton production in Manchuria is the desire on the part of the Japanese, who are in control of Manchuria, to become more independent of foreign countries for their raw materials.

The Manchuria Cotton Association is expected to have started its activities relative to the 2-year program in the early part of this month. It is stated that the association has set apart a substantial sum for the encouragement of an important increase in this year's acreage as part of an estimated possible area of 400,000 cho (approximately 1,000,000 acres). Information is conflicting on the size of the 1933 Manchurian crop, estimates varying between 40,000 and 50,000 bales of approximately 478 pounds. A very small part of this cotton is said to have been improved, therefore the chances are that even if the association is successful in materially increasing production, a large part of the cotton will be of poor quality. According to a report of the East Asiatic Economic Investigation Bureau, Tokyo, 1932, there were four or five native varieties of cotton being planted in Manchuria, but most of them had coarse fibers, stiff in

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elasticity, and were used only as stuffing and for bed manufacture, and other local purposes. Considerable effort will probably be made by the association this year to distribute seeds for improved varieties, but the amount of such seed available and suitable for Manchurian conditions are thought to be limited.

Brazil

The Federal Ministry of Agriculture of Brazil issued its second estimate of cotton production in the Northern Brazilian States for the 1933-34 crop in February. This estimate placed the production in the 10 Northern States at approximately 415,000 bales of 478 pounds, compared with an earlier estimate of 472,000 bales. Most of the change, as compared with the previous estimate, took place in the States of Parahyva and Pernambuco. In 1932-33 the production in the 10 Northern States amounted to 226,000 bales. During the 5 years ended 1930-31, the average production in these States amounted to 436,000 bales.

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